



A Refresh of The Commonwealth of Virginia Strategic Plan for Technology

— Draft —



expect the best

April 4, 2005

In keeping with our commitment to cost savings, this report was produced in limited quantities, in-house, utilizing an existing color printer and binding equipment.

Prepared and Published by:
Virginia Information Technologies Agency

Comments and recommendations on the Draft Refresh of the Commonwealth of Virginia Strategic Plan for Technology from all interested parties are welcomed and encouraged. Suggestions may be conveyed electronically to VITACOMMS@vita.virginia.gov. Please submit written correspondence to:

Lemuel C. Stewart, Jr.
Chief Information Officer of the Commonwealth
Virginia Information Technologies Agency
411 E. Franklin Street, Suite 500
Richmond, VA 23219

This report is available online at:
www.vita.virginia.gov

About the Cover:

VITA equals people first, is customer-driven and customer-focused, and is committed to growing its people through ongoing training/re-training throughout their professional careers. In our logo, we highlight individuals of our agency that make VITA a success seven days a week, 365 days a year. We are currently featuring the following outstanding VITA employees in our logo (from left to right): Christopher Eaton, Desktop Support Engineer serving the Virginia Department of Transportation; Cathy Nott, Service Level Director for the Virginia Department of Agriculture and Consumer Services; Renea Dickerson, Security Services; and Charles Green, Media Specialist. Their combined state service represents more than 40 years of contributions to the Commonwealth.



Table of Contents

Introduction	1
Influencing Events	1
Process	3
Strategic Plan Initiatives	3
 An Update of the Initiatives	 4
Executive Summary	4
Impact of PPEA.....	5
Awards & Recognition	6
 Initiative 1: Revolutionize Service Delivery to Our Customers	 7
Introduction	7
Project 1: Implement a Customer-Facing Internet Portal	7
Project 2: Increase the Quantity, Quality, and Adoption of Online Services	8
 Initiative 2: Consolidate IT Infrastructure & Provide Centralized Services	 11
Introduction	11
Project 1: Consolidate Technologies.....	11
Project 2: Develop Program for Statewide IT Security	15
Project 3: Overhaul State Administrative Systems	17
 Initiative 3: Plan, Budget, and Track IT Expenditures	 19
Introduction	19
Project 1: Develop Capital Planning and Funding Process for IT	19
Project 2: Develop Comprehensive Technology Management Policy	21
Project 3: Improve Systems to Track and Leverage IT Expenditures.....	23
 Initiative 4: Manage IT Procurement.....	 26
Introduction	26
Project 1: Develop and Implement Best Practice Model for IT Procurement.....	26
 Preparing the IT Strategic Plan for 2007-2010	 29



Introduction

In September 2002, the Office of the Secretary of Technology published *Virginia in the Global Digital Economy: Commonwealth of Virginia Strategic Plan for Technology* on behalf of Governor Mark R. Warner. This document constitutes the 2005 update to that plan, as directed by Lemuel C. Stewart, Jr., Chief Information Officer of the Commonwealth, and approved by the Information Technology (IT) Investment Board, in accordance with requirements in §2.2-2007(1) of the *Code of Virginia*.

The 2002 Plan set out bold transformational initiatives covering eight topic areas, as further outlined below. The first four of these initiatives are now under the purview of the CIO and IT Investment Board and are updated herein. The remaining four have been championed by Virginia's Center for Innovative Technology (www.cit.org) and incorporated into that agency's business plan.

To synchronize statewide IT strategic planning with the new statewide strategic planning process outlined by the Council on Virginia's Future and promulgated and executed by the Department of Planning and Budget (DPB), the IT Investment Board approved this update at its April 13, 2005, meeting. This schedule allows Executive Branch agencies appropriate opportunity to use this update in preparing their individual agency strategic (business) plans and strategic IT plans in advance of the June 15, 2005, due date.

Influencing Events

Since the publication of the 2002 Plan, several significant events have shaped accomplishment of plan objectives to-date, and will continue to influence plan-related achievements in the future.

Significant relevant initiatives coming out of the 2003 General Assembly session include:

- Creation of the Virginia Information Technologies Agency, overseen by a new Chief Information Officer (CIO) of the Commonwealth and supervised by the new IT Investment Board, as the organizational vehicle for transforming the state's IT infrastructure. For further information on this new IT structure, see <http://www.vita.virginia.gov/about/vitaleg.cfm>.
- Amendment of the Public Private Educational Facilities and Infrastructure Act of 2002 (PPEA) to include technology initiatives as allowable projects under the innovative provisions of the Act.
- Creation of the Council on Virginia's Future to establish ways to measure Virginia's current status, prioritize future goals, and establish metrics to help measure progress toward meeting those goals. Included in the Council's two interim reports to date are several initiatives and performance measures impacting, or specific to, IT services. Additional information on this Council and its activities can be found at www.future.virginia.gov.

Since their inception, the Information Technology Investment Board and the Commonwealth CIO have taken a number of relevant actions, including:

- **Creation of an enhanced, business-driven IT investment management process** to identify funding priorities as well as prospective shared services and enterprise services opportunities.

- **Extensive, ongoing evaluation of unsolicited PPEA proposals** as potential vehicles for obtaining the investment capital and expertise needed to effectively transform and consolidate the Commonwealth's IT infrastructure.
- **Development of the VITA Business Plan** (<http://www.vita.virginia.gov/docs/pubs/businessPlan/businessPlan.cfm>), including 11 major objectives that define how the Commonwealth's IT environment will be shaped over the next five years:
 - Integrate and manage the IT infrastructure of all executive branch agencies.
 - Implement a secure Intranet encompassing in-scope agencies.
 - Establish a state-of-the-art data center and back-up facility.
 - Consolidate agency servers into their most cost-effective locations.
 - Implement a desktop management program for all in-scope agencies.
 - Establish a unified electronic mail service.
 - Provide a statewide Customer Care Center.
 - Employ innovative procurements, supplier partnerships, and financing arrangements to fund, expedite, and ensure the performance of future initiatives.
 - Introduce innovative technology solutions supporting redefined, improved agency mission-critical citizen service programs.
 - Improve major IT project success rates to best-in-class levels.
 - Achieve a significant annual return on investments.

The Business Plan also noted 14 categories of enterprise or multi-agency collaboration opportunities identified in initial reviews of agencies' individual IT strategic plans.

In its recently-concluded 2005 session, the General Assembly actions influencing future statewide IT strategic plan initiatives include the following:

- **Use of general funds for VITA operations**—On the recommendation of the Joint Legislative Audit and Review Commission, the General Assembly took the position that VITA's additional operational expenses (with the exception of the Geographic Information Systems (GIS) base mapping update) should be funded via direct charges to agencies. The practical impact of this decision is that certain expenditures to meet legislative mandates and minimum standards will be reflected in additional charges to affected customer agencies.
- **Restructured Higher Education Financial and Administrative Operations Act** (HB 2866/SB 1327)—sets forth enabling legislation for restructuring of public institutions of higher education that will extend, upon the satisfaction of various conditions, autonomy that includes (but is not limited to) capital building projects, procurement, and personnel. Due to the complexity of the processes defined for carrying out the legislation's intent, specific implications for statewide IT strategic planning are unknown at the time of this publication.

Process

The 2002 *Commonwealth Strategic Plan for Technology* identified eight initiatives (see “Strategic Plan Initiatives” below). Of these eight, the first four initiatives were deemed the responsibility of the Virginia Information Technologies Agency (VITA) and are addressed in this report.

The four Initiatives for which VITA is responsible are comprised of nine projects (as described in *An Update of the Initiatives* section of this report). Project information regarding: (1) VITA’s accomplishments since the publication of the 2002 Strategic Plan; and, (2) VITA’s plans for FY 2006 through FY 2009 were developed by the VITA business owners responsible for the projects and was used to develop a draft report to “refresh” the 2002 Strategic Plan.

The draft report was then reviewed and approved, in turn, by VITA, the CIO of the Commonwealth, a committee of the Council on Technology Services (advisory body to the CIO), and the IT Investment Board.

Strategic Plan Initiatives

Based on the Governor’s vision for technology, eight significant initiatives were identified in the 2002 Strategic Plan.

1. **Revolutionize service delivery to our customers** through implementation of a customer-facing Internet portal and increasing the quantity, quality, and adoption of online services, particularly in the area of online licensure and interactive forms.
2. **Consolidate IT infrastructure and provide centralized services** as a technology utility. The plan also called for developing a comprehensive, statewide information security program and for overhauling state administrative systems in the area of finance, planning and budgeting, and human resources.
3. **Plan, budget, and track IT expenditures** by developing a capital planning and funding process for IT, developing a comprehensive technology management policy, and improving systems to track IT expenditures.
4. **Manage IT procurement** by developing and implementing a best practice model for effective and timely IT procurements.
5. **Increase federal research and development funding** to industry and Virginia’s colleges and universities, including historically black colleges and universities (HBCUs).
6. **Increase commercialization of intellectual property** from Virginia’s labs, entrepreneurs, and institutions of higher education, and grow entrepreneurial companies.
7. **Increase statewide broadband deployment**, especially in Virginia’s rural areas, to enhance economic development.
8. **Promote technology-based economic development** in Virginia by “growing” technology companies.

The first four of these Initiatives are the responsibility of VITA and are addressed in this update. The remaining four are the responsibility of the Center for Innovative Technology, and are reflected in the goals and priorities for 2005, available at <http://www.cit.org/>.



An Update of the Initiatives

Executive Summary

Much has been accomplished since these four initiatives and their related projects were identified in the 2002 Strategic Plan, and substantial refinements and additional details have been added for the efforts remaining to be accomplished. Since the publication of the 2002 plan, the Commonwealth has experienced:

- **Improved governance and oversight**—including the establishment of the IT Investment Board/Commonwealth CIO governance structure; establishment of a cohesive management process for defining and prioritizing IT investments; and improved major project management and oversight processes and training.
- **Successful transition of 90 agencies to VITA support**—providing continuity of service during a three-phase process that also resulted in an improved computing environment for many agencies and the creation of the VITA Customer Care Center for centralized help desk support and new service information.
- **Improvements in centralized procurement**—including new value-oriented approaches not strictly based on price, improved asset management through centralized eVA ordering, numerous process improvements to expedite purchases, and lowering of costs via leveraged buying power.
- **Cost savings and cost avoidances**—Since its inception, VITA has implemented 20 cost savings/cost avoidance initiatives with estimated savings of \$73.3 million over a three-year (FYs 2004-06) period.
- **Enterprise promotion and collaboration**—Working with individual agencies as opportunities are identified, VITA and the IT Investment Board are initiating shared services initiatives in areas such as learning management, Statewide Alert Network, enterprise GIS, government to government systems interface, e-mail consolidation, and professional licensing.
- **Continuing value-add to citizens**—Commonwealth citizens continue to enjoy award-winning, anytime/anywhere access to 90 interactive Internet Services including more than 8,000 pages of information. The state's Internet portal and associated services are completely self-funded—a savings of more than \$10 million annually compared to other states' spending.

The balance of this update addresses each of the four initiatives and their nine related projects, providing information on accomplishments since the publication of the 2002 Strategic Plan, and on future plans for FY 2006 through FY 2009.

Initiative 1 – Revolutionize service delivery to our customers

Improvements to Virginia's Internet Portal continue to expand opportunities to access important government services on an "anytime-anywhere" basis. Future efforts will focus on making Web sites even easier to access and use, and on adding specific additional services, in support of aggressive business goals set by the

Council on Virginia's Future. Specific accomplishments to date and future plans are further described under the following projects.

Project 1: Implement a customer-facing Internet portal

Project 2: Increase quantity, quality, and adoption of online services

Initiative 2 – Consolidate IT infrastructure and provide centralized services

The establishment of VITA and the IT Investment Board/Commonwealth CIO has provided the operations, governance and oversight structure to effectively consolidate the IT infrastructure for the Executive branch of state government. With the transition of that infrastructure for all in-scope agencies to VITA now complete, Transformation activities have begun. Near-term accomplishments and associated savings, along with aggressive plans for specific transforming initiatives (e.g., new data center/back-up facility, server consolidation, Enterprise Security Operations Center, etc.), are described under the following three projects:

Project 1: Consolidate technologies

Project 2: Develop a program for statewide IT security

Project 3: Overhaul state administrative systems

Initiative 3 – Plan, budget, and track IT expenditures

The Information Technology Investment Board and Commonwealth CIO have moved expeditiously to establish the processes and guidance necessary to carry out their legislatively-mandated IT governance and oversight roles. The positive resulting impacts, as well as future refinements and anticipated benefits, are outlined under the following three projects:

Project 1: Develop a capital planning and funding process for IT

Project 2: Develop a comprehensive technology management policy

Project 3: Improve systems to track and leverage IT expenditures

Initiative 4 – Manage IT procurement

IT Procurement reform in the Commonwealth is well underway, with improvements in expediting purchases, providing new procurement vehicles, and producing nearly \$40 million in savings/cost avoidance as substantive evidence of results. Further details on accomplishments and plans for continuing improvements are outlined in the following project:

Project 1: Develop and implement a best practices model for IT procurement

Impact of PPEA

Projected deliverables for FYs 2006 through 2009 reflect the latest available information on the nature and timing of activities in each of these major initiatives. Decisions on the PPEA proposals currently under evaluation, including whether and how to proceed with such public-private partnerships, are scheduled to be forthcoming in late summer 2005. Those decisions, in turn, may significantly impact how and when

components of each initiative will ultimately be accomplished. Such impacts will be fully reflected in the 2007-2010 edition of the Statewide Strategic IT Plan, development of which will begin in early fall 2005 for IT Investment Board approval and publication in April 2006.

It should be noted, however, that the initiatives outlined herein are essential to completing the Commonwealth's IT transformation and will need to be pursued even if the Commonwealth chooses not to enter into partnerships through the PPEA. In lieu of utilizing PPEA as a vehicle, these initiatives will still need to move forward using more conventional means of capitalization and goods/services procurements, albeit on a more extended time schedule.

Awards & Recognition

The Commonwealth's initiatives in IT transformation have attracted significant national and even international attention over the last four years. During that period, both statewide initiatives and innovative IT applications have been recognized on numerous occasions for outstanding achievement, including the following honors:

- **Virginia was awarded three National Association of State CIOs (NASCIO) Recognition Awards** in 2003 and 2004, including the IT reform effort.
- **Virginia was awarded a third place national ranking in the 2004 Digital States Survey** by the Center for Digital Government. The survey is viewed as the nation's most recognized and respected study of best practices, policies and progress made by state governments in their use of digital technologies to better serve citizens and streamline operations in all 50 states.
- **Virginia was awarded a third place national ranking in the 2004 Best of the Web contest** by the Center for Digital Government.

A more detailed listing of such awards and recognition and contributions VITA has made can be found in <http://www.vita.virginia.gov/docs/docs/vitaValueWhitePaper.pdf>.





Initiative 1: Revolutionize Service Delivery to Our Customers

Introduction

The Internet is a cornerstone in building Virginia's "anytime-anywhere" digital government. Self-service Web-enabled applications allow more citizens and businesses to receive government services twenty-four hours a day seven days per week. Through Virginia's Internet Portal Project, VITA made government more accessible to all Virginia citizens and businesses. Through Virginia's Online Services projects, Commonwealth citizens enjoy access to more than 90 interactive government services.

The projects within this initiative are:

- Implement a customer-facing Internet portal and
- Increase the quantity, quality, and adoption of online services.

Project 1: Implement a Customer-Facing Internet Portal

Creating a customer-facing portal requires Virginia to implement enterprise solutions that focus on the needs of citizens and businesses. The Commonwealth's portal and all state agencies within the portal should have Web sites that are intuitive, easy to use, and accessible, and avoid jargon, confusing program names, and acronyms.

Making the Commonwealth's Web sites intuitive and easy to use requires agencies to coordinate their Web development efforts and standardize the way information is presented and requested. To reduce the cost and time required to develop Web sites and to improve agency compliance with VITA standards, VITA has implemented templates and tools for use by Commonwealth agencies.

There is more work to be done. In 2005 VITA will issue policies and guidelines designed to make all agency Web sites accessible to Virginia citizens with disabilities. The standards will require Web sites to be clearly identifiable as Virginia government sites. VITA will continue to improve virginia.gov's focus on services, increasing the portal's ease of use for citizens not familiar with how government is organized. Efforts must continue with local governments to ensure that pursuing this ease-of-use principle transcends governmental boundaries. VITA will continue projects to expand agency use of a common professional licensing system, Geographic Information System (GIS), and learning management system.

Accomplishments

Since the publication of the 2002 Strategic Plan, VITA has implemented thirteen Internet templates or tools for use by Commonwealth agencies:

- Enterprise Payment Portal
- Google search engine
- Content management
- Web based security training

- Live Help on portal
- Privacy compliance
- Constituent notification service
- Shopping cart service
- Activities calendar service
- Wireless enabled services
- Conference registration service
- Online payment of moving violations
- Agency evaluation tool for projecting and measuring cost savings

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	Begin migrating agencies toward Web design policies, standards and guidelines (30% of agencies migrated by end of FY 2006) Continue developing new wireless services
2007	Continue migrating agencies toward the accepted Web design standards, policies and guidelines (60% of agencies migrated by end of FY 2007)
2008	Continue migrating agencies toward the accepted Web design standards, policies and guidelines (100% of agencies migrated by end of FY 2008)
2009	Maintain portals

Project 2

Increase the Quantity, Quality, and Adoption of Online Services

Most government services can be performed more effectively and inexpensively through the Internet. Personnel are freed up from routine tasks and can provide better service to in-person customers or be redirected to higher-level work flow activities. Online services also make interacting with government much more convenient for citizens and businesses.

Commonwealth citizens currently enjoy access to more than 90 interactive government services online, 24x7, provided through the Virginia Information Providers Network (VIPNet) of VITA. Citizen accesses to the virginia.gov portal totaled more than 29 million in 2003, with almost half of the accesses occurring outside traditional government office hours. VIPNet of VITA provided \$1.5 million in free services to the State Board of Elections and 134 voter registration offices, and \$875,000 annually in free Web design, consulting, and hosting services for agencies lacking resources.

In 2006 VITA will expand its portal offering to include the Virginia Business Portal. This portal is designed to support business creation in Virginia and to consolidate government to business on-line services into one location. The Council on Virginia's future has set aggressive goals for the deployment and adoption of Web-based government services. VITA will assist Commonwealth agencies, institutions, and public bodies in this effort by providing a secure Web-center for application deployment, developing Web services that may be shared by agencies and public bodies, and facilitating the exchange of data among Commonwealth agencies and Virginia public bodies.

Accomplishments

Since the publication of the 2002 Strategic Plan, VITA, in partnership with a number of agencies and localities, has implemented fourteen Internet services for direct use by citizens:

- Boat registration renewal service
- Hunting and fishing licenses
- Hunting and fishing licenses point-of-sale service (78 Wal-Mart stores have gone online with the service)
- State Bar Association complaint filing
- Job registration renewal service
- Online pesticide application
- Department of Charitable Gaming online quarterly financial reporting
- Virginia teacher PC online purchase
- Online admission application for Longwood University
- Kids Commonwealth site
- Virginia Excels online performance metrics
- Healthy Virginia's scorecard
- Virginia Corps Volunteer Organization search capability
- Governor's Office Substance Abuse Prevention online social indicators

The following reflects adoption rates for these and other key online services in the Commonwealth. Adoption rates are defined as the percentage of the eligible population who are using the Internet version of a particular service. Adoption rates for these services vary from 6 percent to 100 percent.

Online Service	Adoption Rate
Real time alerts	100%
VIN validation search	100%
Doctor/Dentist/Nurse credential status look up	100%
Hospital accreditation lookup	100%
Contractor status look up	100%
Job search	100%
Regulatory town hall (e-rule making)	100%
Restaurant inspections	100%
Transportation Project Transparency	100%
eVA	94%
Online customer assistance system	51%
Hunting and fishing license	48%
Nurse renewals	37%
Individual income tax filing and payment	36%
Physician renewal	34%
Boat registration renewal	30%
Driver license renewal	29%
Vehicle registration renewal	13%
State Parks and camp site reservations	10%
Business registration renewal	6%
Pesticide applications	0% *

* Agency has not launched service

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	<p>Provide IT support to agencies for achieving the Council on Virginia's Future objective of 70% of eligible state services online</p> <p>Launch virginia.gov business portal</p> <p>Re-design/Enhance virginia.gov portal</p> <p>Utilize GIS to enhance service offerings to citizens and businesses</p> <p>Launch Enterprise Licensing solution</p> <p>Place first in the Center for Digital Government's Best of the Web competition*</p> <p>Place first in the Center for Digital Government's bi-annual Digital States Survey</p>
2007	<p>Provide IT support to agencies for achieving the Council on Virginia's Future objective of 80% of eligible state services online</p> <p>Develop a one-stop-business-licensing application for the business portal</p> <p>Continually upgrade/enhance the virginia.gov portal</p> <p>Increase usage of the Enterprise Licensing solution (40% of licenses should be available for renewal online by end of FY 2007)</p> <p>Place first in the Center for Digital Government's Best of the Web competition*</p>
2008	<p>Provide IT support to agencies for achieving the Council on Virginia's Future objective of 90% of eligible state services online</p> <p>Continually upgrade/enhance the virginia.gov portal</p> <p>Increase usage of the Enterprise Licensing solution (70% of licenses should be available for renewal online by end of FY 2008)</p> <p>Place first in the Center for Digital Government's Best of the Web competition*</p> <p>Place first in the Center for Digital Government's bi-annual Digital States Survey</p>
2009	<p>With the number of services available always increasing, maintain the 90% of available services online metric.</p> <p>Re-design/Enhance virginia.gov portal</p> <p>Increase usage of the enterprise Licensing solution (90% of licenses should be available for renewal online by end of FY 2009)</p> <p>Place first in the Center for Digital Government's Best of the Web competition*</p>

***Note:** The state that wins the Center for Digital Government's Best of the Web is not eligible for the next year's competition.



Initiative 2: Consolidate IT Infrastructure & Provide Centralized Services

Introduction

As observed in 2002, the stovepipe nature of many agency business processes and technology implementations has led to significant duplication, overcapacity, and non-standardization. The overspending of resources to support these independent actions has been at the expense of other business-related process improvements and innovations.

The Commonwealth can achieve significant fiscal benefits from consolidating technology resources and providing centralized services. For example, the multiplicity of data centers and servers can be consolidated to better maximize product functionality. Moreover, consolidating technology can help move the organization toward developing baseline technology standards utilizing enterprise-oriented or “federated” applications. This approach will provide many benefits, such as seamless service and improved efficiency that will outlast individual projects and the current and future administrations.

At its inception in July 2003, VITA supported 11 organizations at four locations. Today, VITA supports 90 organizations at 1,497 locations.

The projects within this initiative are:

- Consolidate technologies;
- Develop a program for statewide information technology security; and
- Overhaul state administrative systems.

Project 1: Consolidate Technologies

Consolidation of technologies that provide utility functions—such as data centers, distributed computing assets, and helpdesks—will allow the Commonwealth to provide more effective services, reduce redundancy, and lower costs. The Commonwealth needs to define and implement appropriate levels of service and availability in order to fully realize the benefits of consolidation.

From the standpoint of its business operations, Virginia state government can be characterized as a highly decentralized enterprise. The best business practices of decentralized enterprises, however, also include centralization of administrative and support functions where economies of scale and efficiencies of operation can be realized while still effectively sustaining multiple business organizations.

As the result of legislation passed by the General Assembly in 2003 in support of the consolidation of information technologies within the Commonwealth, VITA has increased the number of:

- PCs and laptops supported from 600+ to 60,000+
- Servers supported from 30+ to 3,000+
- VITA FTE positions from 368 to 1,056

In its initial efforts to derive up-front savings from within its inherited decentralized environments, VITA has already undertaken 20 initiatives that have resulted in \$16.7 million in savings in FY 2004 and a projected \$27.9 million in savings for FY 2005. Projected six-year savings from these initiatives alone total over \$143 million.

While the Commonwealth has successfully transitioned all in-scope agency IT hardware, software and employees to VITA, the hard work has just begun. In 2005, VITA began transformation of the delivery of IT services. Transformation involves changing the way the Commonwealth conducts business. Transformation is not pursuit of modest, incremental improvements. Rather, it is a breakthrough initiative for substantial returns on investments and improvements in service. Transformation will take two directions:

- Modernizing the technology infrastructure, to provide a cohesive, cost-effective, and scalable foundation for high-capacity and high capability services.
- Reengineering business processes to take advantage of that infrastructure in providing substantial value-add to Virginians.

Technology consolidation plans for FY 2006 through FY 2009 will be significantly shaped by current PPEA activities. Under the provisions of the PPEA, VITA received and is evaluating unsolicited vendor proposals to assist in the continued consolidation of information technologies. Assuming that a Comprehensive Agreement for such assistance can be reached, in FY 2006 through FY 2009, VITA plans to: establish new primary and backup data centers; complete a Commonwealth Infrastructure Help Desk; establish enterprise-wide “refreshes” of desk tops and e-mail; complete a network redesign and implementation; and complete server consolidations for all agencies.

Accomplishments

General

- Enacted VITA Legislation (See Initiative 3 for further governance and oversight accomplishments relating to this legislation.)
- Conducted baseline Customer Satisfaction Survey
- Established Enterprise Service Director relationship role for each Cabinet Secretary

Distributed Computing (Integrated Services)

- Integrated 90 agencies to VITA support per legislative requirements
- Established the shared desktop services model (used by 35 small agencies; 12 organizations via Memorandum Of Understanding)
- Created shared e-mail service with predefined price and service level
- Established VITA Customer Care Center that meets or exceeds industry standard performance measures
- Created desktop “COmmunity of INterest” (COIN) to facilitate standard procedures, tools, and configurations
- Remediated small agency technology environment to establish base-level security

Data Center Operations

- Created shared Windows service with predefined price and service profile
- Collocated 100 servers from agencies to the VITA data center
- Consolidated 24 servers into a single platform
- Created shared UNIX service with predefined price and service profile
- Established portable generator contract to support continuity of operations in case of power loss

Telecommunications and Wide Area Network (WAN)

- Connected Monroe Towers and VITA data center with high-speed connectivity and laser backup
- Renegotiated Verizon contract with \$25M savings over 5 years
- Signed MCI contract saving \$12M over 5 years
- Converted Virginia Department of Health and Military Affairs to COVANET from Network Virginia
- Increased Broadband capacity statewide through increased Verizon DSL contract
- Moved Voice over Internet Protocol (VoIP) initiative forward by 2 years through the Verizon contract
- Implemented Cisco Information Center to monitor data floor server performance
- Extended outreach program to localities, resulting in 22 new customers representing nearly \$1M savings to these customers and \$469K revenue to VITA

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	Technology/Standards Create standard performance measure for each service; begin to track service metrics across the enterprise Establish service profiles for key services not yet defined Re-introduce IT Infrastructure Library (ITIL) practices and associated processes/disciplines Continue to consolidate technologies associated with the Capitol Area Renovation and downtown Metropolitan Area Network (MAN) Extend downtown MAN to Greater Richmond area (Sonet rings) Add new users to the Commonwealth VoIP system Skill-Set/Culture Create baseline competencies for customer services Develop plans to create culture change to customer-centric mindset Develop employee placement strategy to balance skill sets with needs

2006 **Assuming Successful PPEA Comprehensive Agreements**

Complete/sign Comprehensive Agreement in November 2005
 Establish and begin implementation of the Commonwealth Infrastructure Help Desk
 Initiate enterprise desktop refresh
 Initiate enterprise e-mail refresh
 Establish primary data center
 Establish Commonwealth Enterprise Operations Center
 Establish Commonwealth Network Operations Center
 Implement enterprise-wide monitoring and measurement tools
 Consolidate servers - ~20% reduction
 Initiate network redesign and implementation
 Establish Emergency Security Operations Center

2007 **Technology/Standards**

Manage to performance measures and metrics; refine processes to improve performance
 Implement additional regional-based secure high capacity networks (Sonet rings)
 Consolidate network control centers
 Continue to mine for cost savings and avoidance opportunities
 Continue to consolidate technologies associated with the Capitol Area Renovation and extended Sonet MAN
 Complete small agency server consolidation
 Continue introduction of ITIL practices and associated processes/disciplines
 Define and implement baseline standard desktop image

Skill-Set/Culture

Create career path model for each role
 Begin orchestrating employee moves to balance support needs and skill sets; train as necessary

Assuming Successful PPEA Comprehensive Agreements

Establish backup data center
 Continue implementation of the Commonwealth Infrastructure Help Desk
 Continue enterprise desktop refresh
 Continue enterprise e-mail refresh
 Consolidate servers - ~10% reduction
 Complete network redesign and implementation

2008 Continue standardization of enterprise technology solutions; establish upgrade/change path
 Begin medium agency server consolidation associated with the extended Sonet MAN

Fiscal Year	Initiative
2008	<p>Complete secure statewide high capacity network</p> <p>Have complete ITIL practices and associated processes/disciplines</p> <p>Assuming Successful PPEA Comprehensive Agreements</p> <p>Complete Commonwealth Infrastructure Help Desk (100% capacity)</p> <p>Continue enterprise desktop refresh</p> <p>Continue enterprise e-mail refresh</p> <p>Consolidate servers - ~10% reduction</p> <p>Continue network redesign and implementation</p>
2009	<p>Continue standardization of enterprise technology solutions</p> <p>Consolidate large/medium agency servers</p> <p>Assuming Successful PPEA Comprehensive Agreements</p> <p>Continue enterprise desktop refresh</p> <p>Continue enterprise e-mail refresh</p> <p>Consolidate servers - ~10% reduction</p> <p>Complete network redesign and implementation</p>

Project 2: Develop Program for Statewide IT Security

The very real risks of security breaches demand that the Commonwealth have a sound, consistent base of IT security that transcends the limitations of and variability among agencies. The statewide security program will ensure a consistent level of IT security, provide high-level IT security skills, communicate IT security alerts and best practices, and respond to and recover from cyber incidents. The program will facilitate collaboration with other entities—such as law enforcement, public affairs and the media, Internet service providers, and other service providers—for rapid response to breaches.

Maintaining a robust information technology security program is critical to ensure effective operation of the Commonwealth of Virginia's enterprise. Failure to prevent or contain intrusions may result in an inability to access critical information in a timely manner and hamper the Commonwealth's ability to respond to emergencies. Cyber attacks may also result in financial loss, noncompliance with state or federal statutes, degraded customer service, and loss of public confidence. For example, the cost of lost productivity from the January 2004 Mydoom virus was estimated to be \$250 million. VITA's security program and staff successfully protected Commonwealth agencies from this attack.

The 2002 Strategic Plan stated Virginia should develop and implement a statewide IT security program:

- To ensure that a consistent level of IT security is achieved across the Commonwealth to protect the state's IT assets, attain high-level IT security skills, communicate IT security alerts and best practices, and respond to and recover from cyber attacks; and

- To facilitate collaboration with other entities such as law enforcement, public affairs, Internet service providers and other service providers for rapid response to security breaches.

The strategic plan also mandates that a statewide IT security program will take into consideration protecting critical IT assets and infrastructure across Executive branch agencies, institutions of higher education, and local governments, in cooperation with service providers and businesses where appropriate. The program will build upon the Commonwealth's security architecture and the published security policy, standard, and guideline. In FY 2006, VITA will implement improvements in a wide range of security services, standards, training, and performance measurement.

In order to meet these requirements, and to ensure the confidentiality, integrity, and availability of the Commonwealth's information assets, the following milestones have been reached and future goals set.

Accomplishments

- Enabled VITA's Information Security program by implementing an Enterprise Information Security Office and Program framework
- Ensured alignment on information security issues among VITA and agencies using its services by creating the Information Security Officer Advisory Group
- Assured adequate protection of the Commonwealth's enterprise technology infrastructure by reviewing and beginning update of the *Enterprise Information Security Policy and Standards*
- Supported success of VITA transition by ensuring that all VITA agencies met minimum security standards
- Facilitated information security throughout the systems development by instituting a security and architecture review process
- Validated adequacy of VITA's contingency plans by conducting annual business continuity testing for VITA operations and annual disaster recovery test
- Currently managing risk throughout the enterprise by conducting risk assessment of VITA's operation center and infrastructure located within customer agencies
- Complied with HB 1330 (2004 Session), which became effective in January 2005, by implementing minimal incident reporting function
- Created further alignment on information security issues by defining security roles and responsibilities for agencies and VITA
- Contracted with a third party to "ethically hack" our security system on a periodic basis; a test "ethical hack" has been conducted and successfully addressed

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	Integrate security with enterprise IT architecture and VITA business processes Review/improve enterprise and agency border / perimeter defense Implement information security performance and metrics program Implement security service programs for risk management, Enterprise Security Operations Center, and Security technology watch and research Implement data classification program Implement security baselines and configuration standards for IT assets Develop and implement security and awareness training program
2007 - 2009	Integrate security with IT architecture and VITA business processes Review/improve enterprise and agency border / perimeter defense

Project 3: Overhaul State Administrative Systems

Providing centralized, consolidated administrative systems can streamline the Commonwealth's payroll, accounting, personnel, and benefits processes; and can provide opportunities for data collection, data mining, and enterprise-wide reporting. The Commonwealth currently maintains multiple, aging administrative systems that are parochial to individual agencies, and cannot effectively and efficiently support the enterprise business needs of state government. The 2002 Strategic Plan called for an overhaul of these systems to meet the business needs of the individual agencies and of the state as a whole.

Under the provisions of the PPEA, the Commonwealth received—and is evaluating—unsolicited vendor proposals to assist in the overhaul of state administrative systems. In anticipation of further progress toward pursuing such an overhaul, the Commonwealth CIO issued guidance to Executive branch agencies on February 17, 2005, to focus resources on collaborative, enterprise solutions and to curtail further investment into duplicative, stand-alone systems. As such, agency requests for planning approval for major projects and procurements that have enterprise implications or potential conflict with either set of PPEA proposals will be tentatively identified for preliminary planning until the outcomes of the PPEA review process are known or an enterprise-wide standard has been established. The goal is not to disrupt agency business processes—projects and procurements that are considered emergencies or mission critical by the IT Investment Board will go forward.

The CIO also directed staff to limit contract terms to one or two years in areas such as desktop management, helpdesk services, and enterprise applications to avoid long-term commitments and limit the potential for conflict with or rework as a result of the PPEAs. While these measures impose some level of inconvenience on agencies, the cost and inconvenience of doing otherwise would be far greater.

Future plans (FY 2006 through FY 2009) for addressing and funding this project is dependent upon the successful completion of a Comprehensive Agreement with one or more of these vendors to provide the necessary assistance.

Accomplishments

- In response to unsolicited proposals for the overhaul of state administrative systems submitted to the Virginia Information Technologies Agency (VITA) by IBM and CGI-AMS under the provisions of the PPEA, in November 2004, the Governor approved the Detailed Review of those proposals by VITA in coordination with the Secretaries of Technology, Finance, and Administration.
- Funding for the Detailed Review (establishing the business case) of the IBM and CGI-AMS proposals has been tentatively identified in the Commonwealth FY 2006 Appropriation Act.

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	Develop a plan for the detailed review of the PPEA enterprise applications proposals Establish the base case for overhaul of state administrative systems, including current processes and the automated systems which support them Evaluate IBM and CGI-AMS detailed proposals Negotiate Comprehensive Agreement (Contract) for enterprise applications and the overhaul of state administrative systems Obtain Governor's approval of a Comprehensive Agreement with IBM and/or CGI-AMS and publish a statewide implementation plan for the overhaul of state administrative systems
2007	Initiate overhaul of the state administrative systems
2008	Continue overhaul of state administrative systems
2009	Complete overhaul of state administrative systems



Initiative 3: Plan, Budget, and Track IT Expenditures

Introduction

The 2002 Strategic Plan observed that funding for IT should be evaluated and managed as an investment in assets contributing to the overall benefit of the Commonwealth. A capital planning and funding process should be established by which funding decisions are based on, and aligned with, appropriate investment return (hurdle) rates, over acceptable investment time periods.

If the Commonwealth makes effective investment in and implementation of information technology, potential savings could be realized. Development of comprehensive planning, budgeting, and tracking methods is essential and will define a structured, disciplined approach to ensure that effective investments are made and that a current inventory of statewide IT resources is maintained.

The projects within this initiative are:

- Develop a capital planning and funding process for information technology;
- Develop a comprehensive technology management policy; and
- Improve systems to track and leverage information technology expenditures.

Project 1: Develop A Capital Planning And Funding Process For Information Technology

The 2002 Strategic Plan recommended that, to ensure the best value for the price paid, the Commonwealth's IT capital planning and funding process should emphasize strategic investments in enterprise-wide IT projects

In 2003, the General Assembly established the IT Investment Board and the Commonwealth CIO, giving them responsibility for oversight and governance of strategic investments in enterprise-wide IT projects. The processes, policies, procedures and reports supporting the IT Investment Board oversight have since been developed and implemented. The IT Investment Board and its committees, in concert with the CIO of the Commonwealth, have begun to address strategic, long-term issues, including: pursuing opportunities for enterprise systems, minimizing duplicative systems investments, strategic redesign of business process, and leveraging technology investments. In 2003, Virginia received the National Association of State CIO's 2003 Recognition Award for its innovative IT reform initiative.

VITA has also changed the state's IT planning cycle to more closely align with recommendations from the Council on Virginia's Future. The Council has encouraged the consolidation of the currently independent agency strategic, IT, and human resource planning cycles. The IT Investment Board will now issue or update Virginia's IT Strategic Plan in April of each year, in an effort to provide guidance to agencies as they develop their combined business and IT plans.

The emphasis in FY 2006 through FY 2009 is on improving the Commonwealth's methods for capital planning and funding of IT investments. Efforts will be focused on developing, introducing and gaining General Assembly approval of an IT capital planning and funding process, including a Technology Infrastructure Fund from which funds for approved capital IT investments will be provided. Funding for IT should be evaluated and managed as an investment in assets contributing to the overall benefit of the Commonwealth. A capital planning and funding process will ensure funding decisions are based on and aligned with appropriate investment return rates over acceptable time periods. Establishing a technology fund for enterprise-wide projects will enable agencies to move from a reactive spending model to a proactive one. Projects that benefit the enterprise will have a central source of funding.

Accomplishments

- Established the IT Investment Board (IT Investment Board) in Code of Virginia
- Completed the IT Investment Board *Recommended Technology Investment Projects* (RTIP) report which set IT Investment Board future direction for two-stage planning and funding process and budget bill identification
- Submitted VITA and IT Investment Board budget request for Technology Infrastructure Fund; not approved in the Budget Bill.
- Conducting ongoing discussions among the CIO of the Commonwealth, the IT Investment Board, the Governor, General Assembly and the Department of Planning and Budget (DPB) regarding the current funding process and options for future funding processes

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	<p>Implement two-stage planning process and funding request process to support project preliminary planning</p> <p>Develop structured collaboration opportunity evaluation and implementation process</p> <p>Redesign the RTIP report to emphasize strategic investments in enterprise-wide IT projects</p> <p>Establish major IT project budget bill identification process with DPB</p> <p>Submit legislative proposal for Technology Infrastructure Fund for major IT projects planning to Governor's Office and DPB</p> <p>Submit legislative proposal for IT capital planning and funding process to Governor's Office and DPB</p> <p>Complete review and approval of legislative proposal</p> <p>Introduce legislation</p> <p>Have legislation approved and enacted</p>

Fiscal Year	Initiative
2007	Publish policies, standards, and guidelines to implement IT capital planning and funding process (based on legislation) Incorporate IT capital planning and funding model process into the Commonwealth budget process Implement agency rollout and training on the IT capital planning and funding process
2008	Implement IT capital planning and funding model process Implement reporting, monitoring and audit function to support IT capital planning and funding
2009	Evaluate IT capital planning and funding process and outcomes and identify areas for improvement

Project 2: Develop A Comprehensive Technology Management Policy

When the 2002 Strategic Plan was published, a comprehensive technology management policy did not exist within the Commonwealth. Then current technology management practices provided little, if any, structured guidance on how technology investment decisions should be made. As a result, opportunities to enhance program and project management capabilities and to increase IT project success were diminished.

Since that time, a technology management policy has been established and implemented. This comprehensive policy establishes an IT investment management-based planning methodology for selecting, controlling, and evaluating IT investments that support the business needs of the Commonwealth. The policy and its tools will result in standard, repeatable processes; improved support to agencies; accountability for technology investments; and identification and management of risks.

Implementation tools developed and in place to support the Commonwealth's technology management policy now include the *Project Management Standard* and the Project Manager Development Program. An *Enterprise Business Architecture* and a related *Enterprise Business Model* have been developed and validated with Executive Branch agencies for use in defining the business services that the Commonwealth provides its citizens. These and other technology management tools have enabled the Commonwealth to improve significantly its management of IT projects and resources.

As the IT Investment Board focuses more on strategic initiatives, the CIO of the Commonwealth has been entrusted with major project review and monitoring. Commonwealth agency projects are reviewed for their strategic importance to the Commonwealth and the sponsoring agency. The CIO's review is focused on leveraging agency project initiatives for the enterprise, and ensuring agency initiatives do not duplicate enterprise systems. All major projects must have a fully developed project plan, including an Independent Verification and Validation (IV&V) plan and funding for the IV&V. The goal is not to impede government initiatives, but to reduce project risk, costs, and implementation time by reusing existing, established systems and expanding them to meet agency-specific requirements.

During FY 2006 through FY 2009, VITA will continue to emphasize improvements in IT technology management through the expanded use of the Commonwealth's enterprise architecture, the application of IT

Investment Management (ITIM) Capability Maturity Model (CMM), and the maturing of IT investment portfolio management.

Accomplishments

- Published *Commonwealth Technology Management (CTM) Policy* and *CTM Glossary Standard*
- Published *Commonwealth Project Management Guideline* including completed project management forms and templates
- Published *Commonwealth Project Management Standard*
- Published *IT Strategic Planning Guidance*
- Completed and implemented the Project Manager Development Program, with over 900 participants and over 300 individuals now qualified at various levels
- Implemented Commonwealth project manager mandatory training workshops
- 88% of major IT projects rated “on track” by the CIO of the Commonwealth based on independent verification and validation (IV&V) reviews
- Developed and validated an Enterprise Business Architecture and an Enterprise Business Model

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	Publish <i>IT Strategic Planning Standard</i> Publish <i>Technology Portfolio Management Standard</i> Perform a Commonwealth IT Investment Management (ITIM) Capability Maturity Model (CMM) gap analysis Establish ITIM CMM baseline and action plan Implement ITIM awareness program through the Council on Technology Services (COTS) Perform CPM CMM gap analysis Establish CPM CMM baseline and action plan Publish <i>Enterprise Program Management Standard</i> Expand the use of the Enterprise Architecture, and the Enterprise Business Architecture and Enterprise Business Model
2007	Establish reference libraries Execute action plan to mature IT Investment Portfolio management within the Commonwealth Execute action plan and training to advance CPM capability Implement enterprise program management within Secretariats and agencies where appropriate
2008	Establish centers of excellence Execute action plan to mature IT Investment Portfolio management within the Commonwealth Execute action plan and training to advance CPM capability Perform Commonwealth Enterprise Program Management (EPM) CMM gap analysis Establish EPM CMM baseline and action plan

Fiscal Year	Initiative
2009	Execute action plan to mature IT Investment Portfolio management within the Commonwealth Execute action plan and training to advance CPM capability Execute action plan to advance Commonwealth EPM capability

Project 3: Improve Systems to Track and Leverage IT Expenditures

Improving Commonwealth systems used to track technology budgeting and expenditures is essential to making sound, business investment decisions. Unless significant enhancements are made to the information systems now available, including the use of an expanded technology portfolio, Commonwealth decision makers will continue to make significant business investment decisions without a clear understanding of the current and planned technology investments that support their business strategies.

During this planning cycle, VITA has developed and enhanced interim systems to assist the IT Investment Board and the Commonwealth in planning for and monitoring IT investments and tracking IT assets. As with many agency-specific systems, these applications suffer from the lack of modern and flexible statewide financial and human resource systems. Improvements in accurately accounting for technology expenditures will be incorporated into a Version 2 upgrade of the Commonwealth Technology Portfolio. Version 2 will require integration with the state's legacy administrative systems, such as Commonwealth Accounting and Reporting System (CARS), the Fixed Asset Accounting and Control System (FAACS), Personnel Management Information System (PMIS), and Program Budgeting (ProBud) System. A long-term solution for this initiative, however, is dependent on Virginia implementing an integrated administrative applications suite.

Several systems and reports have been implemented to improve the Commonwealth's tracking of IT expenditures. These systems include the Commonwealth Technology Portfolio and Web site; the Commonwealth Agency Technology Strategic Planning Application (CATSPA); and the *Recommended Technology Investment Projects* (RTIP) report, which is used extensively by the IT Investment Board to review and prioritize technology investments.

For the future, Projects 2 and 3 under this initiative will be very closely related in that they both emphasize the continued use and improvement of the systems and documents that have been implemented since 2002, while increasing the application of the IT Investment Management (ITIM) Capability Maturity Model (CMM) and the use of the Commonwealth Technology Portfolio as critical aspects of an effective and efficient management of technology.

While the improvements noted above are important to the efficient and effective management of IT investments, they alone will not enable the Commonwealth to fully realize the potential benefits of those investments. Leveraging IT expenditures for such ultimate returns requires collaboration among customer agencies and other stakeholders to take maximum advantage of the consolidated IT infrastructure.

The IT Investment Board and Commonwealth CIO have begun to positively apply such leverage in several ways, moving from initially reacting to presented opportunities to becoming more proactive in creating them.

- The Board and CIO have responded to several individual agency project requests by collaborating to evolve those requests into shared or enterprise systems. Example applications include business/professional licensing, statewide alert/notification, and geographic information systems.
- Collaboration opportunities were specifically identified among the projects listed in the *Recommended Technology Investment Projects* Report submitted to the Governor and General Assembly last September.
- At the direction of the Board, VITA has developed an “As Is” Enterprise Business Model, documenting Executive Branch agencies’ lines of business in consistent terms so that common business needs can be easily identified and addressed.

Collaborative opportunities for leveraging IT investments are indeed pervasive and need to be recognized—and acted upon—as such, as business issues are being discussed, as technology solutions are being considered, as investment priorities are being set, and as IT dollars are being budgeted and spent. Examples expanded upon elsewhere in this plan include state/local collaborations in providing more effective electronic government access, and vendor/partner initiatives, including PPEA, to leverage the Commonwealth’s buying power and provide more cost-effective, innovative solutions.

During the coming year, the Commonwealth’s IT Investment Management programs, processes, and tools will be refined to support a more proactive, pervasive approach to leveraging the state’s IT investments.

Accomplishments

- Chartered the Commonwealth Technology Portfolio (CTP), Version 2 – Phase 1 Project
- Implemented the Commonwealth Technology Portfolio (CTP) Website
- Implemented Version 1 of Commonwealth Agency Technology Strategic Planning Application (CATSPA)
- Completed rollout of supporting investment management process changes to agencies
- Implemented the Asset Portfolio
- Produced the 2003 RTIP Report
- Implemented the Commonwealth Agency Technology Strategic Planning Application (CATSPA), Version 2 to automate the IT strategic planning amendment process
- Produced the 2004 RTIP Report
- Conducted a workshop for the IT Investment Board IT Project Review Committee to define requirements for the 2005 RTIP Report

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	Charter the CTP Version 2, Phase 2 Project Procure and implement an IT Investment Portfolio Management tool Develop an evaluation and ranking process for assessing feasibility of collaboration opportunities Conduct a collaboration workshop with the IT Investment Board to select and prioritize collaboration opportunities to pursue Produce 2005 RTIP Report Implement new DPB strategic planning model and business objectives structure in the CTP Implement new enterprise business architecture in the CTP
2007	Implement IT Portfolio Management tool across all agencies Produce 2006 RTIP Report Work with General Assembly and Governor to implement 2006 RTIP Report as driver to the budget process for funding major IT projects
2008	Produce 2007 RTIP Report Implement the Asset Portfolio within the CTP Complete Stage 3 of the CMM: developing a complete investment portfolio
2009	Produce 2008 RTIP Report Complete Stage 4 of the CMM: improving the investment process



Initiative 4: Manage IT Procurement

Introduction

The 2002 Strategic Plan noted that procurement of technology (information technology and telecommunications) products and services for state agency and local government use is an essential component of managing technology in the Commonwealth. On July 1, 2002, the *Code of Virginia* was changed to authorize VITA to procure technology goods and services of every kind (i) for its own benefit or on behalf of other state agencies and institutions or (ii) by such other agencies or institutions to the extent authorized by VITA.

The single project within this initiative is:

- Develop and implement a best practice model for IT procurement

Project 1: Develop And Implement A Best Practice Model For Information Technology Procurement

Following through on the 2002 Strategic Plan, the new technology procurement business process is based on best practices that:

- Enable the Commonwealth to consolidate and leverage its purchasing power for technology products and services;
- Embrace and implement innovative solutions and tools to meet the Commonwealth's business, technology, and procurement requirements;
- Emphasize customer and vendor partnership; and
- Increase the use and usefulness of statewide technology contracts by the Commonwealth's organizational entities.

Included in the FY 2006 through FY 2009 plans are activities that will: increase the use of existing IT contracts by localities within the state and by other states; increase programs for supplier management, measurement and innovation; and integrate core Supply Chain Management (SCM) processes across the whole lifecycle of the supply chain.

Accomplishments

- Participated in the statewide Partners in Procurement initiative which identified commodity goods that, with effective competition and industry specific negotiation strategies resulted in substantial cost savings and cost avoidance

- Provided nearly \$40 million in procurement savings and cost avoidance
 - Contract-related, FY04/FY05=\$37.7M
 - Contract-related cost avoidance, FY04/FY05=\$2.0M
- Established strategic procurements resulting in increased availability of multi-vendor statewide leveraged contracts that provide commodities at measurable savings over prior contract vehicles
- Increased availability of statewide contracts
- Leveraged statewide procurements
- Revised and standardized VITA's contract vehicles and VITA's IT terms and conditions to maximize the discounting, value, and service delivery to VITA and its customers, while equitably sharing risks of IT projects among its business partners
- Developed and published VITA's *Guide to Technology Procurement* incorporating best practices and policies for IT goods and services
- Re-designed Supply Chain Web site (<http://www.vita.virginia.gov/procurement/procurement.cfm>) to enhance ease of use and provide search and contract comparison capabilities
- Submitted legislation during the 2004 and 2005 General Assembly sessions to improve the ability for VITA to drive IT procurement savings and provide strategic discounted contracts for its customers
- Utilized alternative dispute resolution to resolve two contract award protests without litigation
- Implemented eVA for IT procurement for all Executive branch agencies
- Integrated the ordering of IT goods and services into a single ordering process, in support of VITA consolidation
- Set the standard that all new VITA IT contracts are open and available for use by all agencies, institutions and other public bodies, such as local government, schools, and libraries
- Piloted usage of GSA contracts from Schedule 70
- Completed VITA reverse auction, saving \$300,000

Plans for FY 2006 through FY 2009

Fiscal Year	Initiative
2006	Revise and Web-enable VITA's <i>Guide to Technology Procurement</i> Prepare and Web-enable VITA's <i>Supplier Manual</i> Complete implementation of standardized terms and conditions and contract templates Complete procurement and implementation of Phase I of the contract management system Increase marketing of statewide leveraged agreements to localities and other public bodies via VITA's Web site and other marketing activities Increase diversification of the supplier base including increased IT opportunities for small, women-and minority-owned (SWAM) businesses, through increased subcontracting Increase use of contract consolidation opportunities to drive value and savings Examine opportunities to expand use of VITA's agreements to other states

Fiscal Year	Initiative
2006	<p>Define and implement order processing procedures that support a VITA shared service model</p> <p>Develop and implement supplier management methodology</p> <p>Implement a vendor management program for statewide contracting and consulting services</p>
2007	<p>Expand coverage of supply management program</p> <p>Integrate core Supply Chain Management (SCM) processes across the whole lifecycle of the supply chain</p> <p>Evaluate and pilot creative acquisition tools that increase efficiency</p> <p>Expand contract management to include VITA sales relationships, such as memorandum of understanding</p>
2008	<p>Develop and pilot a supplier innovation program</p> <p>Increase percentage of Commonwealth spending under actively managed agreements</p> <p>Continue to expand operational efficiencies for transactions systems through the exploitation of technology</p> <p>Expand demand management program and track effectiveness</p> <p>Expand category management methodology and increase number of categories that have a management plan</p>
2009	<p>Implement Phase II of supplier innovation program increasing joint collaboration</p> <p>Continue to roll out category and demand management programs</p> <p>Expand contract management to other public bodies</p> <p>Expand usage of supplier management programs to increase value for Commonwealth</p> <p>Expand supply chain process efficiencies to other public bodies, within, and external to, Virginia</p>



Preparing the IT Strategic Plan for 2007-2010

The 2002 Commonwealth IT Strategic Plan has proven to be a well-focused platform for launching the comprehensive IT infrastructure transformation now well underway across Executive branch agencies. With the updates and additions provided herein, that plan has now reached the logical conclusion of a productive four-year planning cycle.

The advent of the current organizational structure for Commonwealth IT operations and governance—VITA, the CIO of the Commonwealth, and the IT Investment Board—has created new venues and channels for IT strategic planning in Virginia. To fully take advantage of those new opportunities, the IT Investment Board has endorsed a comprehensive, inclusive process for creating the next Commonwealth IT Strategic Plan, covering the period 2007-2010. That process, to be initiated in early fall 2005, will involve both top-down policy direction from the IT Investment Board as well as bottom-up input and initiative development from customer groups and other stakeholders. To remain synchronized with the new statewide strategic planning process outlined by the Council on Virginia's Future and promulgated and executed by DPB, the IT Investment Board intends to approve and publish the new IT Strategic Plan in April 2006.